

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:217
ANSWERED ON:27.02.2008
AUCTIONING OF COAL
Singh Shri Suraj;Suman Shri Ramji Lal

Will the Minister of COAL be pleased to state:

- (a) whether the Government has decided to sell coal to the consumers through auction;
- (b) if so, the details thereof and reasons therefor;
- (c) whether this method is likely to increase the profitability of the Coal India Ltd. and the real consumers would be deprived of a chance of getting coal as they are unable to bid at higher rates;
- (d) if so, the details thereof; and
- (e) the reaction of the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY COAL(DR. DASARI NARAYANA RAO)

(a) & (b): Yes, Sir. The New Coal Distribution Policy notified on 18th October,2007,inter-alia,provides that a fresh scheme of e-auction will be introduced by Coal India Limited with a view to provide access to coal for such consumers who are not able to source coal through the available institutional mechanisms for reasons like the seasonality of coal requirement, limited requirement of coal not warranting long-term linkage etc.The fresh scheme of e-auction has been introduced by Coal India Limited since November,2007.

(c)to(e): The method of e-auction is not aimed at increasing the profitability of Coal India Limited but to provide a neasy and transparent method by providing equal opportunity to all intended coal consumers to purchase coal and gain to Coal India Limited, if any, is only incidental.The fresh scheme also provides forward sale of coal through e-auction for such industrial consumers who wish to have an assured supply over a long period. The coal being sold through e-auction i s only a small percentage o f total coal production. Most of the coal production is being supplied to the consumers through linkages.